

**Ministry of Economic Development,
Job Creation and Trade**

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The Honourable Debbie Dingell
Representative
U.S. House of Representatives
116 Cannon House Office Building
Washington DC
20515

Dear Representative Dingell:

We are writing with regard to your recent comments on the now-resolved blockade at the Ambassador Bridge, and more broadly, the importance of the Canada-U.S. trading relationship and the strong cross-border supply chains between Ontario and Michigan.

As you are aware, Canada and the U.S. enjoy an almost unparalleled history of economic partnership, formalized by the 1965 Auto Pact, the 1988 Canada-U.S. Free Trade Agreement, and the 1994 North American Free Trade Agreement. During this long period, our two countries' supply chains have become increasingly integrated. Both countries reaffirmed our joint commitment to North American free trade by signing the U.S.-Mexico-Canada Agreement (USMCA) in November 2018.

The depth and breadth of Ontario's relationship with the U.S. cannot be understated. If Ontario were a country, we would be the U.S.' third-largest trading partner. Two-way trade between Ontario and the U.S. totalled US\$312 billion last year. We are the number one customer of 19 U.S. states, accounting for 50 per cent of the total merchandise trade between Canada and the U.S.

Ontario is also a critical partner for the great state of Michigan. We are the single largest export destination for Michigan goods. In 2021, two-way trade between Ontario and Michigan totalled over US\$50 billion, and two-way foreign direct investment totalled US\$942 million. The livelihoods of workers on both sides of the border depend on this balanced, reciprocal trading relationship, which includes moving over US\$27 billion in trade between our auto sectors, in both parts and finished vehicles.

Like you, our government is concerned with ongoing risks and instability in both regional and global supply chains. We are committed to leveraging our historical partnership to collectively address such issues, including through the *Roadmap for a Renewed Canada-U.S. Partnership*, which pledges closer collaboration on a number of fronts, including supply chain resiliency.

The auto sector is but one great example of the efficient cross-border supply chains that have been enabled by North American free trade: auto parts and components may cross the Canada-U.S. border as many as eight times before being installed in a final assembly plant in either one of our countries. Ensuring continued frictionless trade in this sector is crucial to ensure North American-made vehicles remain viable and competitive globally. Any measures that undermine the ability of our innovative manufacturers and investors to take advantage of the opportunities created by the USMCA should not be supported.

The long-standing relationship between Ontario and Michigan, especially in the auto sector, is truly exceptional and serves as a model for the world. We are stronger because we make goods together and create jobs together. Rather than undermining the unique strength of our relationship, we should concentrate our efforts on seeking new ways to enhance existing cross-border supply chains.

We welcome the opportunity to further discuss these areas of shared interest and look forward to working closely with you to ensure our integrated North American supply chains continue to thrive.

Sincerely,

Victor Fedeli
Minister of Economic Development, Job Creation and Trade